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FREDERICK R. BIMBER

August 27, 2009

State of Utah Department of Natural Resources - Division of Oil, Gas and Mining
Attn: John R. Baza, Director
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Northwestern Bank Letter of Credit Number
Aurora Oil and Gas Corporation, Vipont Quarry #S/003/035

Dear Mr. Baza:

I represent Northwestern Bank with respect to matters concerning Aurora Oil and Gas Corporation.

This letter is to advise that Northwestern Bank declines to honor the attempted draw on its Letter of Credit number _____ dated July 30, 2009 because your draw request was not accompanied by all documents required under the Letter of Credit. A copy of the Letter of Credit is enclosed for your ready reference. You can see that the Letter of Credit requires both a sight draft in the form of Exhibit A and certificate in the form of Exhibit B to the Letter of Credit. Your draw request did not include the certificate.

The Letter of Credit remains in full force and effect and will be honored if properly drawn upon. If your Division does draw upon the Letter of Credit, please direct the draw request to Northwestern Bank, Attention Michael Doherty, 625 South Garfield Ave., P.O. Box 809, Traverse City, MI 49685-0809.

If you have any questions concerning this matter, please contact me to discuss them.

Sincerely,

FREDERICK R. BIMBER, P.C.

A handwritten signature in dark ink, appearing to be "F. Bimber", written over the printed name.

Frederick R. Bimber

Enclosure

cc via e-mail only: Michael Doherty
Bill Green

Richard Stieglitz
Paul Baker

0001

Letter of Credit No.1

December 1, 2006

STATE OF UTAH
UTAH DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED
DEC 18 2006
DIV. OF OIL, GAS & MINING

Re: Aurora Oil & Gas Corporation, Vipont Mine, #S/003/035

Gentlemen and Ladies:

1. Northwestern Bank ("Bank"), of 625 Garfield Avenue, Traverse City, Michigan, 49686, hereby establishes this Irrevocable Letter of Credit No. (the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount not to exceed Eighteen Thousand Six Hundred US Dollars (\$18,600.00) ("Face Amount") effective immediately, on behalf of Aurora Oil & Gas Corporation ("Operator") for the Vipont mining operation under Mine Permit No. S/003/035.

2. This Letter of Credit will expire the date upon which sufficient documents are executed by the Division to release Aurora Oil & Gas Corporation ["Operator"] from further liability for reclamation of the Vipont Mine #S/003/035 with notice to Bank by the Division accompanied by the original Letter of Credit with directions for cancellation.

3. This Letter of Credit issued on December 1, 2006 will be automatically extended for successive periods of one year from the current or any future issuance date unless 90 days prior to the issuance date of the following year, the Bank gives notice to the Division by any courier service or by registered United States mail 'return receipt requested' that the Bank elects NOT to renew the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. (delivered to the office of the Bank, 625 Garfield Avenue, Traverse City, Michigan, 49686. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

☒ APPROVED

5. If the Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the termination of this Letter of Credit, the Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify. "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in the State of Michigan are authorized or required by law to close.

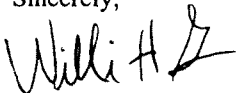
6. The Bank will give prompt notice to the Operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements, which could result in suspension or revocation of the Bank's charter or license to do business.

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Bank at 625 Garfield Avenue, Traverse City, Michigan 49686 or by calling 231-932-6655 and referencing Letter of Credit No.

9. In the event the Bank gives notice to the Division that the expiration date of the Letter of Credit will not be extended, the Division may, until the current expiration date of the Letter of Credit, draw under the Letter of Credit against its sight draft(s) in accordance with the provisions of Paragraph 4.

Sincerely,

A handwritten signature in dark ink, appearing to read "Willi H. Green", with a stylized flourish at the end.

William H. Green
Vice President

EXHIBIT A - SIGHT DRAFT

to
Letter of Credit Number 512060

July 30, 2009
Date

Traverse City, Grand Traverse County
City, County

Letter of Credit No. _____

PAY TO THE ORDER OF: Utah Division of Oil, Gas and Mining,

Eighteen Thousand Six Hundred U.S. DOLLARS

To: Northwestern Bank
625 Garfield Avenue
PO Box 809
Traverse City, MI 49685-0809

Utah Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

By: _____

Authorized Signature



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 9, 2009

Michael Doherty
Northwestern Bank
625 South Garfield Avenue
P. O. Box 809
Traverse City, Michigan 49685-0809

Subject: Exhibit B to Letter of Credit, Aurora Oil and Gas Corporation, Vipont Mine, S/003/0035, Box Elder County, Utah

Dear Mr. Doherty:

Enclosed with this letter, please find Exhibit B associated with letter of credit This is being sent in response to the letter dated August 27, 2009, from Frederick Bimber indicating the Division needed to submit this certificate to draw on the letter of credit.

As stated in our letter to William Green dated July 30, 2009, the Division anticipates that payment of the full amount of the letter of credit, \$18,600.00, will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the enclosed exhibit. Payment should be sent to the above address by a next day delivery. The Division will hold the funds as surety to be used for reclamation of the Vipont Quarry pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

Thank you for your cooperation in this matter. Please advise me if additional information is needed. I can be reached by telephone at 801-538-5261 or by e mail at paulbaker@utah.gov.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:pb CRR 7003 2260 0002 0247 8508

Enclosure: Exhibit B to LOC 512060

cc: Steve Alder
Aurora O&G Corp

Stephen B. Grow, Warner Norcross & Judd LLP, 900 Fifth Third Center, 111 Lyon St. NW, Grand Rapids, MI 49503
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EXHIBIT B

To
Letter of Credit Number

I, John R. Baza a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$18,600.00, by sight draft accompanying this certificate, under Letter of Credit No. _____ dated December 1, 2006 issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the amount to be drawn is necessary to assure or complete reclamation of the Vipont Mine (name of mining project), number S/003/035 (permit number) in accordance with applicable law.

State of Utah
Department of Natural Resources
The Utah Division of Oil, Gas and Mining

By: 
Authorized Signature
The Utah Division of Oil, Gas and Mining

Date 9/2/09